

## Response to questions concerning the Building Delegation Draft RFP List 2

GENERAL COMMENTS	ANSWERS
<p><b>1. General Comment 1</b> The IRS Facility Management Group has serious concerns that the solicitation, as written, does not provide a level playing field for the IRS Facility Management Group to compete against private sector organizations. Furthermore, the solicitation calls for development of an Agency Tender that will not comply with the strict documentation requirements of OMB Circular A-76 (Revised), dated 29 May 2003. Our concerns center around the IDIQ structure proposed for the performance of work outside the scope of normal (current) building operations and maintenance. This includes what is termed in the solicitation documents as "additional services" and "new work". Part 4 of the solicitation is premised on the fact that the chosen Service Provider will perform the IDIQ additional services and new work based on a future negotiated fixed price. Participation in future IDIQ negotiations may not be possible for the government MEO because the A-76 cost comparison will already be completed. More importantly, the government MEO will not be able to bid on or execute IDIQs because it does not (and will not) have independent legal authority to hire the additional manpower, purchase the necessary materials/equipment, team with subcontractors, or negotiate a bid with the contracting officer. Although it is competing like a contractor now, the MEO will remain an IRS asset in the future and will continue to operate according to the hiring and contracting practices imposed by the IRS. Without the inherent authority and freedom of a private contractor, the government MEO cannot be expected to respond or perform like one in an IDIQ environment.</p> <p>To fully comply with A-76 documentation requirements, the Agency Tender must include the cost of the complete in-house workforce and copies of all existing subcontracts needed to execute the PWS. This must be done <b>BEFORE</b> the A-76 decision is made and must reflect all basic services and new/expanded IDIQ work. (See OMB A-76 Attachment C paragraph B.4.h.) Once the IRS Facility Management Group has developed and submitted its Agency Tender, it will be precluded by OMB Circular A-76 to adjust or</p>	<p>1. The solicitation calls for development of an Agency Tender that will not comply with the strict documentation requirements of OMB Circular A-76 (Revised), dated 29 May 2003. Our concerns center around the IDIQ structure proposed for the performance of work outside the scope of normal (current) building operations and maintenance. This includes what is termed in the solicitation documents as "additional services" and "new work".</p> <p><a href="#">Answer: The "new work" requirement has been deleted from the RFP. The requirement for additional services will remain within the PWS, pending a request for waiver submitted to OMB.</a></p> <p>2. Participation in future IDIQ negotiations may not be possible for the government MEO because the A-76 cost comparison will already be completed.</p> <p><a href="#">Answer: Negotiation would occur with any Service Provider regardless of MEO or vendor. Evaluation of price for the IDIQ portion occurs during source selection process of the RFP. IDIQ Section B pricing will be evaluated during the source selection process. For any prices not included in the section B IDIQ pricing, price reasonableness is determined at the time of task order award by a Contracting Officer.</a></p> <p>3. More importantly, the government MEO will not be able to bid on or execute IDIQs because it does not (and will not) have independent legal authority to hire the additional manpower, purchase the necessary materials/equipment, team with subcontractors, or negotiate a bid with the contracting officer. Although it is competing like a contractor now, the MEO will remain an IRS asset in the future and will continue to operate according to the hiring and contracting practices imposed by the IRS. Without</p>

GENERAL COMMENTS	ANSWERS
<p>augment its proposed staff to perform "additional services" and "new work" not already captured in the original AGENCY TENDER. This creates an inequitable comparison with private contractors who can defer any reference to IDIQ costs until the future negotiation period. It should also be noted that new or expanded services performed by a government Agency requires inclusion of a conversion factor in line 14 of the CCF <i>"as if the private sector source is the incumbent provider"</i>. (See OMB A-76 Attachment C paragraph D.1) This could force an unintended but significant cost burden onto the Agency Tender.</p> <p>Attempts to combine the basic services portion of the A-76 with an IDIQ section covering new or additional services raises the question of whether this combined approach is compliant with OMB Circular A-76 policies. Since the Building Delegations study was initiated to compete the work being performed by the incumbent work force, it appears that the scope of the study has already been predefined. Inclusion of IDIQ additional services and new work into the existing study could violate the guidance of paragraph 5.d on page two of the OMB circular that states <i>"Before government personnel may perform a new requirement, an expansion to an existing commercial activity, or an activity performed by the private sector, a streamlined or standard competition shall be used to determine whether government personnel should perform the commercial activity"</i>. Because the IDIQ section defers definition of new work until future task orders are released for quote, competition for that work and suitability of the government to perform it cannot be determined until that time. This combined study cannot satisfy paragraph 5.d.</p> <p>The IRS Facility Management Group requests that the final solicitation document completely eliminate the requirement for performing any new or expanded work over and above basic services as part of the current A-76 competitive sourcing effort. It is requested that this additional work or new work be competed separately from basic building operations and maintenance services.</p>	<p>the inherent authority and freedom of a private contractor, the government MEO cannot be expected to respond or perform like one in an IDIQ environment.</p> <p>Answer: OMB circular No. 76 clearly allows for subcontracting as part of the procurement. The Circular states at Attachment B, D. 4.a.(1)(a) " An MEO may be comprised of ... (2) a mix of government personnel and MEO subcontracts (see attachment D)."</p> <p>The IDIQ portion of the contract for new work is being deleted from the requirement</p> <p>4. To fully comply with A-76 documentation requirements, the Agency Tender must include the cost of the complete in-house workforce and copies of all existing subcontracts needed to execute the PWS. This must be done <b>BEFORE</b> the A-76 decision is made and must reflect all basic services and new/expanded IDIQ work. (See OMB A-76 Attachment C paragraph B.4.h.)</p> <p>Answer: The IRS is preparing and will submit a waiver to the Office of Management and Budget for the requirement of having all subcontracting arrangements identified at the time of the proposal preparation. An IDIQ contract is not a vehicle to obtain new out of scope work, but to provide flexibility when the quantity of a given item cannot be determined.</p>

<p>21. For the price evaluation, would it be in the aggregate total of all fixed monthly and unit line items for the base year and subsequent option years?</p>	<p>See Sections L and M. The solicitation will contain FAR 52.217-5 "Evaluation of Options" (JUL 1990).</p>
<p>22. B.2 States the COTR will be allowed to order additional services "up to \$2500". Several other provisions in the solicitation indicate the COTR will use an IDIQ contract to purchase goods and services that will exceed the \$2500 limit. An IDIQ contract, separate from the basic requirement, should be used to procure services that exceed \$2500. This provision also relates to general comment 1 above. The IRS Agency Tender requests that the final solicitation delete any "splitting" of jobs between the service provider and an IDIQ provider, and make clear that any job expected to cost more than \$2500 will be performed entirely by an IDIQ provider.</p>	<p>The first \$2,500 in cost for a service call will be the responsibility of the Service Provider. Only cost exceeding that threshold will be subject to negotiation. A Service Provide has the flexibility to determine what assets will be used in the performance of tasks exceeding \$2,500. There is no requirement in the PWS for the Service Provider to "split" the performance of any task.</p> <p>In addition see response to question 1.</p>

35. M.8.(c) States "The evaluation of the Additional Services portion of the IDIQ effort shall primarily be through the Pricing Evaluation Model (PEM). The sum of the prices for the Phase-in, Basic Services and Additional Services for the maximum period of performance (phase-in, base year, and four option periods) shall be used to determine the offeror's total evaluation price. Note that this is for evaluation purposes only."

As we explained in our general comments section, the addition of an IDIQ section for additional services puts the Agency Tender at a disadvantage, as the AGENCY TENDER will not be able to properly bid for the additional services. Under the A-76 process, the Agency Tender will be reduced to the lowest level of staffing to perform the daily operations & maintenance and PMIs. They do not have the luxury of subcontracting or maintaining the staff to accomplish additional or new work. The IDIQ should be dropped from this competition and all additional and new work greater than \$2,500 and should be contracted separately by the Government in a free and open competition environment. Exclude the winning service provider under this solicitation from competing in the IDIQ procurement.

Pricing Evaluation model will no longer be included in the RFP. Section M of the final RFP will address for evaluation of the Additional Services IDIQ portion of the solicitation.

The IDIQ portion will remain please see response to question 1.

<p>67. 3.11.1 The chart on page C-31 lists the positions that must be on site during contract phase-in and the number of days before the contract start date specific positions must be on site. This provision has the potential of putting the government at a disadvantage since the same staff will be required to support both ongoing operations and maintenance activities as well as phase-in activities. This provision should state that it is not applicable to the IRS Agency Tender.</p>	<p><a href="#">Non-applicability statement added.</a></p>
<p>72. 4.3.4 Provides that in the event a subcontractor is needed to perform additional services or new work, the Service Provider will obtain three quotes and the lowest one will be used for cost estimating purposes. This provision presumes that the Service Provider will be bidding for IDIQ work, and as stated previously, this presumption is a significant concern to the IRS Agency Tender. This additional work or new work should be competed separately from basic building operations and maintenance services, for reasons stated throughout this document.</p>	<p><a href="#">See response to general comment 1.</a></p>